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SUBJECT: UKRAINE: SHIFTING SANDS AND POST-ELECTION
SCENARIOS - UKRAINIAN POLITICS IN TRANSITION

REF: KIEV 367

Classified By: Political Counselor Aubrey Carlson, reason 1.4 (b,d)

1. (C) Summary and Comment: Conversations with Media watchdog-turned-PORA politician Serhiy Taran, website editor-turned-Tymoshenko Bloc PR director Oleh Medvedev, and independent-minded Regions MP Volodymyr Makeyenko January 25-27 provided three views on the shifting ground in Ukrainian politics heading into the March 26 Rada election and expected post-election horsetrading to form a parliamentary majority and the next government. Taran claimed that the Orange Revolution had allowed Ukraine to move away from patronage politics to charismatic politics, but that a necessary shift to programmatic politics remained in the future. Taran and Medvedev expected the March 26 elections to be the most free and fair in Ukraine's history, thanks to the fundamental differences in Ukraine's post-Orange Revolution political environment, particularly freedom of speech and a lack of intent by the current government to use administrative resources to favor affiliated parties. Taran and Medvedev laid out the three primary post-election scenario options -- Orange, Blue-Red, and Blue-Orange. While both hoped for an Orange option, enduring Yushchenko-Tymoshenko animosity was a genuine obstacle; in contrast, Regions would fall over itself to cut a deal to return to power. Medvedev candidly acknowledged that it would be better for either Yushchenko or Tymoshenko to come to terms with Regions than see a Regions-Communist-Vitrenko-Lytvyn majority emerge. Makeyenko, a deputy campaign chair for Our Ukraine in the 2002 Rada race before defecting to Regions over a year before the Orange Revolution, described his role in facilitating Our Ukraine-Regions discussions and why Regions believed Yushchenko "must" reach accommodation with Regions for Ukraine's sake as well as Yushchenko's own. The trio's interlocking observations from three parts of the Ukrainian political spectrum and differing backgrounds demonstrates the shifting sands of Ukrainian politics a year after Yushchenko's inauguration and two months prior to the Rada elections. End Summary and Comment.

Politics in Transition: Patronage, Charisma, and Platforms

2. (SBU) Serhiy Taran, a long-time media watchdog who recently joined his PORA friends for the joint PORA-Reforms and Order Bloc led by former heavyweight champion Vitaly Klychko, described to us January 26 Ukraine's ongoing transition through three fundamental phases of politics. Through the end of the Kuchma era, patronage politics had dominated Ukraine's political scene; people voted for candidates they believed would provide direct benefits, and politicians sought office and connections primarily for division of the spoils. The Orange Revolution ushered in an era of charismatic politics, a large but only partial step away from the patronage model, to which Regions was still firmly wedded. Ukraine's weakness, in Taran's view, was an absence of programmatic politics and clear party platforms. Most Ukrainian parties remained associated with their dominant personalities rather than policies or ideologies: Yushchenko (Our Ukraine), Tymoshenko (Batkivshchyna, Tymoshenko Bloc), Yanukovych (Party of Regions), Lytvyn (People's Party), Moroz (Socialists), Vitrenko (Progressive Socialists). The Communists were perhaps the only exception currently, but they had no future.

3. (SBU) Taran suggested that Yushchenko, Yanukovych, Tymoshenko, Moroz, and Lytvyn were all cut from the same cloth and used to the same "old" rules of politics. Ukraine sorely lacked a new generation of politics and politicians. Regions' Makeyenko, who entered the final Soviet Ukrainian Rada in 1990 at age 29, similarly told us January 25 that the current Rada was nearly bereft of professionals, packed instead with "businessmen, bureaucrats, cultural figures, and crazies." Taran said PORA aspired to fill the new generation niche; unscientific internet polls, skewed toward the young, showed PORA as the third choice after Yushchenko and Tymoshenko. PORA had paired with the established Reforms and Order Party (RO) led by Finance Minister Pynzenyk to join RO's professional experience with PORA's youthful enthusiasm. The PORA-RO platform to be rolled out February 1 would be liberal, pro-Europe, and "nationalist in a central European way." That said, to get across the three-percent threshold, PORA-PO would have to rely on charismatic politics and the

name recognition of bloc leader Vitaly Klychko, recently retired world heavyweight boxing champion.

Ukraine in 2004 and 2006: "two different worlds"

14. (SBU) Taran said that his sociological polling indicated that, despite the disillusionment expressed by 60 percent of Ukrainians in the lack of progress in 2005, 70 percent still planned to vote in the March elections, a sign that Ukrainians still felt their voice could make a difference. (Note: Other polls similarly show high and even higher "plan to vote" rates.) Even though numerous smaller problems remained in Ukraine's political landscape, the 2004 and 2006 election environments represented "two different worlds." Most importantly, there was freedom of speech for all parties, no government efforts at falsification, and a range of options, not just a simple choice of two candidates.

15. (SBU) BYuT PR chief Medvedev echoed a similar line to us January 27, scoffing when asked about a media report (on Donetsk-based, Akhmetov-owned TRK Ukraina) that Tymoshenko had faced difficulties gaining access to large factories and local media in a recent campaign swing through Dnipropetrovsk and Zaporizhzhya. Tymoshenko had visited every enterprise she wanted to, said Medvedev; more importantly, she had access to every local media outlet possible in the two provinces. The contrast could not have been greater with what Yushchenko faced in 2004: shut factory gates, blocked roads, denied airport landing clearances, and only negative local media coverage.

Post-election scenarios: Orange, Blue-Red, Orange-Blue

16. (SBU) The emerging consensus was that Regions would win a plurality in the March 26 voting, with Our Ukraine and BYuT vying for second. The next tier of the Socialists and the Communists would pull 5-8 percent each, with Lytvyn's Bloc on the three-percent bubble and Vitrenko and PORA-RO struggling to get over the threshold. BYuT PR Chief Medvedev said that his polling indicated that the Orange and Blue electorates and West/Central vs East/South splits from the 2004 Presidential elections had remained remarkably stable in the intervening 15 months. Regions, the Communists, and Vitrenko vied for Yanukovych's 2004 44-percent share, and the post-Maidan parties competed for Yushchenko's then-52-percent share. However, Medvedev expected voter turnout in Blue (i.e., eastern and southern) provinces to be higher than in Orange (central and western) ones. Despite Tymoshenko's stated intent of campaigning hard for eastern votes, Luhansk-native Medvedev said that hardened stereotypes had proven too tough to break in the short 15-month election cycle. "If her prospects in Donetsk and Crimea are very bad, in her hometown Dnipropetrovsk, Zaporizhzhya, and Kharkiv they are just plain bad." Yushchenko ran strongest in western provinces, Tymoshenko in central Ukraine.

17. (SBU) With those possible actors and levels of support in mind, Taran and Medvedev described the same three possible post-election coalition scenarios. In colored shorthand, the options could be described as Orange, Blue-Red, and Orange-Blue, with Rada Speaker Lytvyn's team (whose image is colorless or grey, despite its chosen campaign color green) willing to join any coalition that would make them part of a majority (if it makes it into the Rada). Forging a parliamentary majority would depend not only on the math of election returns but also on expected fierce bargaining between factions, as well as personal animosities.

18. (SBU) Taran and Medvedev both described the most natural coalition -- and their preferred choice if the math worked -- as the Maidan Orange team reunited: Our Ukraine, BYuT, Socialists, and PORA-PO. Despite Lytvyn's falling star recently, his votes might prove necessary to cobble together a majority. Medvedev, who worked for the Yushchenko 2004 Presidential campaign, cautioned, however, that the personal animosity between Tymoshenko and Our Ukraine's leaders, not only Yushchenko but Bezsmertny, Poroshenko, Martynenko, and Zhvaniya, was deep enough to possibly scuttle the Orange scenario.

19. (SBU) Neither Taran nor Medvedev ruled out the possibility of a Regions-Communist-Vitrenko-Lytvyn majority. Taran mused that such a coalition would hurt Ukraine's image and reform prospects in the short term but might force Regions into a more responsible approach to politics and governance.

10. (SBU) In contrast, Medvedev said that were such a Blue-Red option to emerge as a mathematical possibility, he would strongly recommend that either Yushchenko or Tymoshenko cut a deal with Yanukovych and Regions for the sake of Ukraine's short-term future. Notwithstanding Tymoshenko's public vow never to unite with Regions, Medvedev said such a partnership was possible and would be better than the Blue-Red option; the key would be how to pull Yanukovych away

from Russia and integrate him fully within the Ukrainian context. Regions was Donetsk oligarch Akhmetov's party in any event; Medvedev claimed that 30 of the top 100 names on Regions' list were associated with Akhmetov's business empire. Taran noted that Regions was pushing hard to return to government in any event, since the industries associated with its MP candidates were vulnerable without the patronage protection of those in power. Taran suggested that Industrial Union of the Donbas (IUD, owned by Donetsk oligarch Serhiy Taruta, not Akhmetov) executive Haiduk (a deputy prime minister for energy under Kuchma) might be a possible compromise PM candidate for an Orange-Blue coalition. Taran and Medvedev agreed that former DPM and Finance Minister (under Kuchma-Yanukovych) Azarov would also likely be in the mix if the Orange-Blue scenario were to play out.

Our Ukraine and Regions: the best fit?

11. (SBU) Regions MP Makeyenko explained Regions' rationale for why the best post-election scenario for Ukraine and Yushchenko personally would be a coalition between Our Ukraine and Regions. The pairing would help unite Orange and Blue Ukraine; Makeyenko suggested such national unity could have strengthened Yushchenko and Ukraine's hand in dealing with Russia over gas. Makeyenko claimed he had worked closely with Presidential deputy chief of staff Ivan Vasyunyk to prepare the September MOU between Yushchenko and Yanukovych, blamed Yushchenko for not fulfilling his part of the bargain, and said he would continue to work Our Ukraine connections with an eye toward a post-election accommodation (reftel).

12. (SBU) Makeyenko spouted a common Regions line: Yushchenko had no one else to turn to if he wished to be an effective President. Yushchenko and Tymoshenko's mutual animosity dated back years; Lytvyn had stabbed Yushchenko in the back the past two months; Yushchenko despised the SPDU(o) and the Communists; Our Ukraine's discredited figures like Poroshenko were a net minus; Russia was like a crocodile looking to devour him; Europe was silent as a wall after the departure of Polish President Kwasniewski; Moldova and Georgia were more millstones than friends; the U.S. blew many air kisses but delivered nothing. In contrast, "Regions knows how to deal with Russians, because we see them as business competitors. Regions is Yushchenko's only real option if he wishes to rule effectively and not run Ukraine into the ground," Makeyenko concluded.

Bio notes

13. (SBU) Serhiy Taran formerly ran the Kiev-based Institute for Mass Media and was Ukraine's leading media watchdog analyst before becoming Director of the International Democracy Institute, designed to help sponsor democratic movements elsewhere in the former Soviet Union and joining the PORA-RO list in late 2005. (Note: At number 28 on the list, Taran is unlikely to make it into the Rada even if PORA-RO gets over the three-percent threshold; the bloc would need to garner some 6-7 percent to reach 28 on its list). Taran also runs the SotsiVymir Center for Sociological and Political Research. Taran was denied entry into Azerbaijan in early November when he and PORA leader Zolotaryov tried to travel to Baku as parliamentary election observers; 14 other would-be Ukrainian observers who happened to sit near Taran and Zolotaryov on the plane but had no association with them were also deported.

14. (C) Luhansk native Oleh Medvedev's "day job" is editor-in-chief of Obozrevatel media holdings' five websites, which range from news-heavy www.Obozrevatel.com to the satirist group "Happy Eggs" at www.eggs.net.ua. Tymoshenko associate and attack dog Myhailo Brodsky owns Obozrevatel, but the calm-mannered Medvedev clearly does not share Brodsky's disdain for Yushchenko and hopes that the Orange team can be reassembled. Medvedev said he is not a member of Tymoshenko's Batkivshchyna Party but rather a campaign "hired gun" running the BYuT campaign's PR Department.

15. (C) Chernihiv native Volodymyr Makeyenko has been in the Rada since 1990, elected initially on the Communist ticket. He joined the Socialists for much of the 1990s and briefly the Agrarian Party before running with Our Ukraine in 2002. He defected to Regions -- to protect his business interests, he says -- prior to the Orange Revolution and serves as the Secretary of the Rada's U.S. caucus. He was a primary backer

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of Moroz' 1999 Presidential bid and came under intense pressure from the Kuchma-ites to withdraw his support, fleeing Ukraine with his family during the campaign and spending several months in the U.S. in the apartment of Itera executive Makarov, a long-time friend. Like many politicians, Makeyenko made significant money in the gas

trade and claims to have introduced Tymoshenko to gas industry players after she first came to Kiev from Dnipropetrovsk. Independently wealthy, Makeyenko cultivates an air of being his own man (his business card lists his Rada committee assignment but not his party affiliation), and is willing to comment critically on his current Regions allies as well as his erstwhile Our Ukraine colleagues. At number 48 on Regions' list, he is assured of returning to the Rada.

116. (U) Visit Embassy Kiev's classified website at www.state.sgov.gov/p/eur/kiev.
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